

**LAKE PONTCHARTRAIN
BASIN FOUNDATION**

FINANCIAL REPORT

December 31, 2008 and 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/12/09

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REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

A PROFESSIONAL CORPORATION

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Lake Pontchartrain Basin Foundation
Metairie, Louisiana

We have audited the accompanying Statements of Financial Position of Lake Pontchartrain Basin Foundation (the "Foundation") (a nonprofit organization) as of December 31, 2008 and 2007, and the related Statements of Activities, and Cash Flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2009 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Foundation taken as a whole. The Schedules of Functional Expenses and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the Foundation. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Reboue & Company

May 11, 2009

FINANCIAL SECTION

LAKE PONTCHARTRAIN BASIN FOUNDATION
STATEMENTS OF FINANCIAL POSITION
December 31, 2008 and 2007

ASSETS

	<u>2008</u>	<u>2007</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 901,775	\$ 878,828
Cash restricted for program expenditures	99,822	59,620
Investments	216,672	333,555
Grant receivable	17,220	40,422
Accrued interest/dividend receivable	1,042	1,042
Prepaid insurance	<u>1,410</u>	<u>2,223</u>
Total Current Assets	<u>1,237,941</u>	<u>1,315,690</u>
OTHER ASSETS		
Furniture and equipment, net	<u>54,040</u>	<u>76,336</u>
Total Other Assets	<u>54,040</u>	<u>76,336</u>
Total Assets	<u><u>\$ 1,291,981</u></u>	<u><u>\$ 1,392,026</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and other liabilities	\$ 73,600	\$ 68,924
Deferred revenue	<u>85,671</u>	<u>-</u>
Total Current Liabilities	<u>159,271</u>	<u>68,924</u>
NET ASSETS		
Unrestricted	685,013	1,274,979
Temporarily restricted	445,197	45,623
Permanently restricted	<u>2,500</u>	<u>2,500</u>
Total Net Assets	<u>1,132,710</u>	<u>1,323,102</u>
Total Liabilities and Net Assets	<u><u>\$ 1,291,981</u></u>	<u><u>\$ 1,392,026</u></u>

See accompanying notes to the financial statements.

LAKE PONTCHARTRAIN BASIN FOUNDATION
STATEMENTS OF ACTIVITIES
For the Year Ended December 31, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND OTHER SUPPORT				
Donations	\$ 85,814	\$ 146,602	\$ -	\$ 232,416
Donated services	55,502	-	-	55,502
Donated use of office space	26,005	-	-	26,005
Fund raising events	312,067	7,432	-	319,499
Grants:				
EPA - LPBF	-	201,019	-	201,019
EPA - Gulf of Mexico	-	41,474	-	41,474
EPA - PRP	-	268,481	-	268,481
NRCS	-	48,560	-	48,560
EPA - TWS	-	255,281	-	255,281
Other - Restricted	-	178,926	-	178,926
Investment income (loss)	(13,148)	-	-	(13,148)
Membership sales	31,390	-	-	31,390
Merchandise sales	599	-	-	599
Miscellaneous income	2,223	-	-	2,223
	<u>500,452</u>	<u>1,147,775</u>	<u>-</u>	<u>1,648,227</u>
Net assets released from restrictions	<u>748,201</u>	<u>(748,201)</u>	<u>-</u>	<u>-</u>
Total Revenue and Other Support	<u>1,248,653</u>	<u>399,574</u>	<u>-</u>	<u>1,648,227</u>
EXPENSES				
Program Services:				
Environmental education	347,181	-	-	347,181
Scientific and field research	779,234	-	-	779,234
Total Program Services	<u>1,126,415</u>	<u>-</u>	<u>-</u>	<u>1,126,415</u>
Supporting Services:				
Fund raising	299,376	-	-	299,376
Management and general	337,228	-	-	337,228
Membership promotion	75,600	-	-	75,600
Total Supporting Services	<u>712,204</u>	<u>-</u>	<u>-</u>	<u>712,204</u>
Total Expenses	<u>1,838,619</u>	<u>-</u>	<u>-</u>	<u>1,838,619</u>
INCREASE (DECREASE) IN NET ASSETS	(589,966)	399,574	-	(190,392)
NET ASSETS AT BEGINNING OF YEAR	<u>1,274,979</u>	<u>45,623</u>	<u>2,500</u>	<u>1,323,102</u>
NET ASSETS AT END OF YEAR	<u>\$ 685,013</u>	<u>\$ 445,197</u>	<u>\$ 2,500</u>	<u>\$ 1,132,710</u>

See accompanying notes to the financial statements.

LAKE PONTCHARTRAIN BASIN FOUNDATION
STATEMENTS OF ACTIVITIES
For the Year Ended December 31, 2007

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND OTHER SUPPORT				
Donations	\$ 299,735	\$ -	\$ -	\$ 299,735
Donated services	325,921	-	-	325,921
Donated use of office space	24,519	-	-	24,519
Fund raising events	301,167	-	-	301,167
Grants:				
EPA - LPBF	-	527,909	-	527,909
EPA - Gulf of Mexico	-	62,535	-	62,535
EPA - PRP	-	35,300	-	35,300
NRCS	-	220,499	-	220,499
EPA - TWS	-	235,115	-	235,115
Other - Restricted	-	352,989	-	352,989
Investment income	33,831	-	-	33,831
Membership sales	30,250	-	-	30,250
Merchandise sales	1,934	-	-	1,934
Miscellaneous income	1,503	-	-	1,503
	<u>1,018,860</u>	<u>1,434,347</u>	<u>-</u>	<u>2,453,207</u>
Net assets released from restrictions	<u>1,393,239</u>	<u>(1,393,239)</u>	<u>-</u>	<u>-</u>
Total Revenue and Other Support	<u>2,412,099</u>	<u>41,108</u>	<u>-</u>	<u>2,453,207</u>
EXPENSES				
Program Services:				
Environmental education	349,409	-	-	349,409
Scientific and field research	<u>1,119,019</u>	<u>-</u>	<u>-</u>	<u>1,119,019</u>
Total Program Services	<u>1,468,428</u>	<u>-</u>	<u>-</u>	<u>1,468,428</u>
Supporting Services:				
Fund raising	280,733	-	-	280,733
Management and general	306,228	-	-	306,228
Membership promotion	<u>42,017</u>	<u>-</u>	<u>-</u>	<u>42,017</u>
Total Supporting Services	<u>628,978</u>	<u>-</u>	<u>-</u>	<u>628,978</u>
Total Expenses	<u>2,097,406</u>	<u>-</u>	<u>-</u>	<u>2,097,406</u>
INCREASE IN NET ASSETS	314,693	41,108	-	355,801
NET ASSETS AT BEGINNING OF YEAR	<u>960,286</u>	<u>4,515</u>	<u>2,500</u>	<u>967,301</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,274,979</u>	<u>\$ 45,623</u>	<u>\$ 2,500</u>	<u>\$ 1,323,102</u>

See accompanying notes to the financial statements.

LAKE PONTCHARTRAIN BASIN FOUNDATION
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (190,392)	\$ 355,801
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Loss on disposal of office furniture and equipment	39	4,184
Gain on sale of investments	-	(279)
Unrealized loss (gain) on investments	56,624	7,955
Depreciation expense	29,837	29,425
Decrease (increase) in:		
Prepaid insurance	813	979
Grant receivable	23,202	(40,422)
Increase (decrease) in:		
Accounts payable and other liabilities	4,676	57,458
Deferred revenue	85,671	-
Net cash provided by operating activities	<u>10,470</u>	<u>415,101</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(14,939)	(101,009)
Proceeds from sales of investments	75,198	81,473
(Purchases) sales of furniture and equipment, net	<u>(7,580)</u>	<u>(32,578)</u>
Net cash provided by (used by) investing activities	<u>52,679</u>	<u>(52,114)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	63,149	362,987
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>938,448</u>	<u>575,461</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,001,597</u>	<u>\$ 938,448</u>
REPORTED ON THE ACCOMPANYING STATEMENTS OF FINANCIAL POSITION AS:		
Cash and cash equivalents	\$ 901,775	\$ 878,828
Cash restricted for program expenditures	<u>99,822</u>	<u>59,620</u>
	<u>\$ 1,001,597</u>	<u>\$ 938,448</u>

See accompanying notes to the financial statements.

LAKE PONTCHARTRAIN BASIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2008 and 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Lake Pontchartrain Basin Foundation, (the "Foundation") is a non-profit, publicly supported organization exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. It was established and incorporated September 19, 1989 by Act 716 of the 1989 Louisiana Legislature and pursuant to the Nonprofit Corporation Law of the State of Louisiana for the purpose of the restoration and preservation of the environmental and ecological balance of the Lake Pontchartrain Basin.

The Foundation has established goals of attaining all water quality standards of Lake Pontchartrain and its major tributaries, and the protection and restoration of the Lake Pontchartrain Basin's natural resources including its coast. The Foundation will assist and coordinate efforts with federal, state and parish agencies to clean up and restore the Lake Pontchartrain Basin. The Foundation will also undertake programs and fund research in areas such as municipal runoff, sewage systems, industrial discharge, agricultural discharge, saltwater intrusion, erosion and habitat restoration.

BASIS OF ACCOUNTING

The financial statements of the Foundation are prepared on the accrual basis of accounting.

BASIS OF PRESENTATION

Financial statement presentation follows the recommendations of the Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets that are subject to donor-imposed stipulations that will be met either by actions of the Foundation and/or the passage of time.

Permanently Restricted Net Assets - Net assets that are subject to donor-imposed stipulations that the principal not be expended, but rather invested to provide a permanent source of income for the Foundation's programs.

LAKE PONTCHARTRAIN BASIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Years Ended December 31, 2008 and 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH EQUIVALENTS

For the purposes of the Statements of Cash Flows, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

CASH FLOW STATEMENT

The Foundation had no non-cash financing and investing activities for the years ended December 31, 2008 and 2007.

PUBLIC SUPPORT, REVENUE AND PLEDGES

In accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of donor restrictions. Support that is restricted by a donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted.

All contributions are considered available for unrestricted use unless specially restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

Other sources of revenue include grants, contracts, sales of merchandise and fund raising events.

FURNITURE AND EQUIPMENT

It is the Foundation's policy to capitalize all individual furniture and equipment acquisitions over \$500. Lesser amounts are expensed. Purchased furniture and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time.

LAKE PONTCHARTRAIN BASIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Years Ended December 31, 2008 and 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Office furniture and equipment are depreciated using the straight-line method over the estimated useful lives of the furniture and equipment, which range from 3 to 10 years.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

INVESTMENTS

In 1996, the Foundation adopted SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by the passage of time or by use) in the reporting period in which the income and gains are recognized.

COMPENSATED ABSENCES

Annual leave and bank time is expended when claimed by the employees rather than earned by the employees. Employees may carry over and accumulate annual leave and bank time. Once an employee accumulates two hundred and forty hours of annual leave, the employee cannot accumulate more annual leave. If more hours are earned, the hours will be forfeited.

LAKE PONTCHARTRAIN BASIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Years Ended December 31, 2008 and 2007

NOTE B - DONATED SERVICES AND OFFICE SPACE

The value of donated services by volunteers is not reflected in the accompanying financial statements because they do not meet the criteria necessary to be recorded under the Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*. SFAS No. 116 requires donated services to be recorded only if the recipient organization would have to purchase such services to maintain its operations or accomplish its mission. Although the time contributed by volunteers is not recorded in the accompanying financial statements, it should be noted that a substantial number of volunteers have donated significant amounts of their time to the Foundation's fund raising events.

The Foundation also receives various donated professional services, facilities, and materials, including the match portion of the federal grants, which are recorded in the accompanying financial statements as donated services because they enhance financial assets, require specialized skills, and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Those considered most significant include donated professional services and free use of a portion of its office facilities, parking and utilities. During the years ended December 31, 2008 and 2007, the value of the professional services and rental value of the facilities, was \$81,507 and \$350,440, respectively. These amounts have been reflected in the accompanying financial statements as revenue and other support with a like amount included in supporting services as management and general expenses.

NOTE C - FURNITURE AND EQUIPMENT

Furniture and equipment consist of the following:

	<u>2008</u>	<u>2007</u>
Computer Equipment	\$ 70,583	\$ 66,665
Furniture and Fixtures	26,472	26,472
Boat and Other Program Equipment	<u>146,703</u>	<u>146,023</u>
	243,758	239,160
Accumulated Depreciation	<u>(189,718)</u>	<u>(162,824)</u>
	<u>\$ 54,040</u>	<u>\$ 76,336</u>

Depreciation expense for 2008 and 2007 was \$29,837 and \$29,425, respectively.

NOTE D - RESTRICTED ASSETS

EPA Grant

In accordance with the EPA grant agreements, the Foundation is required to maintain separate checking accounts for which the use is restricted to the purpose of the grants.

LAKE PONTCHARTRAIN BASIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Years Ended December 31, 2008 and 2007

NOTE D - RESTRICTED ASSETS (CONTINUED)

Lake Pontchartrain Basin Foundation Endowment Fund

Investments include \$2,500 which represents the permanently restricted portion of the endowment fund investment account which was established through the Greater New Orleans Foundation.

Save Our Lake Endowment

The Save Our Lake Endowment Trust was created on January 20, 1998 as a 501(c)(3) organization. The purpose of the Trust is the restoration and preservation of the environmental and ecological balance of the Lake Pontchartrain Basin. In furtherance of this purpose, the Trust will promote the establishment, management and growth of the Endowment Fund for the exclusive benefit of the Lake Pontchartrain Basin Foundation. All activities of the Trust, as well as Lake Pontchartrain Basin Foundation, are engaged in exclusively for purposes described in Section 501(c)(3) and Section 170(c)(2)(B) of the Internal Revenue Code and the regulations issued thereunder. The Trustees may, within their sole discretion, retain all or part of any of the Trust income for the purpose of investment in the Endowment Fund or may distribute the income to the Lake Pontchartrain Basin Foundation. At December 31, 1999, the Trust income and principal was shown as a transfer to the Save Our Lake Endowment since the Trust is maintained as a 501(c)(3) organization separate from the Foundation.

NOTE E - PENSION PLAN

Effective July 1, 1999, the Foundation adopted a 401(k) plan covering all employees who have completed a minimum of one year of service regardless of age. Plan participants may contribute to the plan, and the Foundation may make matching contributions of up to 5%. The Foundation's contributions to the plan were \$11,233 and \$12,795 for the years ended December 31, 2008 and 2007, respectively.

NOTE F - INDIRECT COST

The EPA grant revenue includes an indirect cost allocation. The amounts of indirect costs reimbursed included in revenue were \$70,610 and \$84,079 for the years ended December 31, 2008 and 2007, respectively.

LAKE PONTCHARTRAIN BASIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Years Ended December 31, 2008 and 2007

NOTE G - DEPOSITS AND INVESTMENTS

As required by SFAS No. 124, investments are recorded at fair value and consist of the following as of December 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Stock - Mutual Funds	\$ <u>216,672</u>	\$ <u>333,555</u>
Total Investments	\$ <u>216,672</u>	\$ <u>333,555</u>

The following schedule summarizes the investment income and its classification in the Statement of Activities for the years ended December 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Interest/dividend income	\$ 43,476	\$ 41,507
Realized gain (loss)	(7,749)	279
Unrealized gain (loss)	<u>(48,875)</u>	<u>(7,955)</u>
Total Investment Income (Loss)	\$ <u>(13,148)</u>	\$ <u>33,831</u>

Investment income (loss) is classified as unrestricted in the Statement of Activities.

Interest Rate Risk

The Foundation does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the Foundation has limited its risk by investing in mutual funds containing investments with varying maturity dates.

Credit Risk

State statutes authorize the Foundation to invest in obligations of the U.S. Treasury, agencies, and instrumentalities; commercial paper rated AAA 1, 2, or 3; repurchase agreements; and the Louisiana Asset Management Pool (LAMP). The Foundation has no investment policy that would further limit its investment choices. As of December 31, 2008 and 2007, the Foundation had no investments in debt securities.

LAKE PONTCHARTRAIN BASIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Years Ended December 31, 2008 and 2007

NOTE G - DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The Foundation places no limit on the amount the Foundation may invest in any one issuer. As of December 31, 2008 and 2007, 100% of the Foundation's investments were in mutual funds.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned. The Foundation does not have a deposit policy for custodial credit risk. As of December 31, 2008, \$16,581 of the Foundation's bank balances of \$1,001,597 was exposed to custodial credit risk as they were uninsured and uncollateralized. As of December 31, 2007, \$357,404 of the Foundation's bank balances of \$971,404 were exposed to custodial credit risk as they were uninsured and uncollateralized.

NOTE H - CONCENTRATION OF RISKS

The Foundation has a significant amount of revenue received from the Environmental Protection Agency (EPA). The majority of the Foundation's support is received from EPA grants. In 2008 and 2007, 46% and 35%, respectively, of the Foundation's total support and revenue was derived from EPA grants.

NOTE I - COMPENSATED ABSENCES

As of December 31, 2008, employees of the Foundation had accumulated \$27,462 of employee leave benefits. This amount is included on the Statement of Financial Position in accounts payable and other liabilities for the year ended December 31, 2008. Compensated absences were not recorded in prior years due to immaterial balances.

SUPPLEMENTARY INFORMATION

LAKE PONTCHARTRAIN BASIN FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2008

	Program Services		Support Services			
	Environmental Education	Scientific and Field Research	Fund Raising	Management and General	Membership Promotion	Total
Salaries	\$ 87,124	\$ 176,379	\$ 58,232	\$ 185,713	\$ 37,433	\$ 544,881
Outside/Professional Services	48,280	195,450	1,840	3,894	965	250,429
Lighthouse	134,346	-	-	-	-	134,346
Back to the Beach	-	-	129,571	-	-	129,571
Fringe Benefits and Payroll Taxes	16,855	33,950	14,346	26,803	7,411	99,365
Indirect Costs	19,771	36,717	-	14,122	-	70,610
Rent	10,768	21,049	4,748	13,562	2,947	53,074
McKnight Coastal	-	39,774	-	-	-	39,774
Donated Services	1,026	4,104	9,919	12,997	6,156	34,202
McKnight #2	-	31,035	-	-	-	31,035
Printing and Postage	4,214	7,898	5,935	6,507	2,196	26,750
Donated Use of Facilities	780	3,121	7,541	9,882	4,681	26,005
NRCS Lagoon Clean Out	-	26,109	-	-	-	26,109
Shell Reef 2007	-	25,000	-	-	-	25,000
Donated Services - Match	-	-	-	21,300	-	21,300
Telephone	2,539	5,568	3,851	6,440	2,390	20,788
Supplies and Equipment	4,721	9,008	1,084	4,713	673	20,199
Travel	3,619	7,362	1,745	4,743	1,083	18,552
Reef Project #2	-	17,526	-	-	-	17,526
Insurance	5,168	8,148	85	3,656	53	17,110
Computer Maintenance	2,798	5,671	2,138	4,642	1,327	16,576
DNR Grant	-	13,953	-	-	-	13,953
Merck - Outreach MLOD	-	13,766	-	-	-	13,766
Mandeville Wetland	-	13,221	-	-	-	13,221
Levant Grant	-	12,500	-	-	-	12,500
Golf Tournament	-	-	11,828	-	-	11,828
Northshore Party	-	-	10,617	-	-	10,617
Shell Bucktown Marshes	-	9,900	-	-	-	9,900
Beach Sweep	-	-	9,067	-	-	9,067
Coastal Support	-	8,961	-	-	-	8,961
Reef Support	-	8,744	-	-	-	8,744
Basics of the Basin	-	15,125	-	-	-	15,125
Miscellaneous Expenses	325	1,048	2,348	2,711	1,729	8,161
DHH	-	7,200	-	-	-	7,200
Southshore Party	-	-	7,118	-	-	7,118
Bayou Trepagnier/LaBranche	-	6,506	-	-	-	6,506
Rodeo	-	-	4,673	-	-	4,673
Newsletter	123	492	1,190	1,559	738	4,102
Parking	639	1,305	535	1,118	332	3,929
Seminars and Conferences	761	1,215	1,575	398	12	3,961
Environmental Issues	-	2,595	-	-	-	2,595
Vehicle/Boat	1,228	2,139	-	-	-	3,367
Property Taxes	790	1,468	-	565	-	2,823
DEQ Grant	-	1,116	-	-	-	1,116
Subtotal	\$ 345,875	\$ 775,123	\$ 289,986	\$ 325,325	\$ 70,126	\$ 1,806,435

(Continued)

LAKE PONTCHARTRAIN BASIN FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES (CONTINUED)
For the Year Ended December 31, 2008

	Program Services		Support Services			Total
	Environmental Education	Scientific and Field Research	Fund Raising	Management and General	Membership Promotion	
Subtotal from previous page	\$ 345,875	\$ 775,123	\$ 289,986	\$ 325,325	\$ 70,126	\$ 1,806,435
Dues and Subscriptions	16	65	218	207	98	604
Misc Projects Supplies/Equipment	265	223	-	-	-	488
Staff Resources	129	240	-	116	-	485
Poster Sales	-	-	418	-	-	418
Taxes and Licenses	-	-	-	231	-	231
Bingo	-	-	75	-	-	75
Entertainment	-	-	30	-	-	30
Bank Charges	1	3	8	11	5	28
Cookbooks	-	-	20	-	-	20
Lighthouse Campaign Expenses	-	-	(32)	-	-	(32)
Total expenses before depreciation	346,286	775,654	290,723	325,890	70,229	1,808,794
Depreciation	895	3,580	8,653	11,338	5,371	29,837
Total expenses	<u>\$ 347,181</u>	<u>\$ 779,234</u>	<u>\$ 299,376</u>	<u>\$ 337,228</u>	<u>\$ 75,600</u>	<u>\$ 1,838,631</u>

LAKE PONTCHARTRAIN BASIN FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2007

	Program Services		Support Services			
	Environmental Education	Scientific and Field Research	Fund Raising	Management and General	Membership Promotion	Total
Salaries	\$ 124,292	\$ 186,248	\$ 64,715	\$ 123,348	\$ 21,707	\$ 520,310
Donated Services - Match	-	296,784	-	-	-	296,784
Donated Services	-	-	-	29,137	-	29,137
Donated Use of Facilities	-	-	-	24,519	-	24,519
Outside/Professional Services	20,928	186,098	1,578	6,103	284	214,991
Back to the Beach	-	-	105,344	-	-	105,344
Fringe benefits and payroll taxes	24,094	36,615	13,434	23,492	5,199	102,834
Indirect costs	26,905	40,358	-	16,816	-	84,079
Misc Project Supplies/Equipment	1,084	2,339	-	-	-	3,423
Natural Resources Conservation Service - Lagoon Clean-out	-	85,035	-	-	-	85,035
Natural Resources Conservation Service - Lagoon Decommissioning	-	99,580	-	-	-	99,580
Lighthouse Insurance	6,290	-	-	-	-	6,290
Lighthouse Taxes	586	-	-	-	-	586
Lighthouse Postage	248	-	-	-	-	248
Lighthouse Utilities	293	-	-	-	-	293
Lighthouse Bank/Service Fees	772	-	-	-	-	772
Lighthouse Meetings/Conferences	226	-	-	-	-	226
Lighthouse Miscellaneous	761	-	-	-	-	761
Lighthouse Professional Services	60,479	-	-	-	-	60,479
Lighthouse Legal Services	125	-	-	-	-	125
Lighthouse Events	69	-	-	-	-	69
Lighthouse Wooden Plaques	968	-	-	-	-	968
Lighthouse Bowen Jewelers	2,376	-	-	-	-	2,376
Lighthouse Campaign	-	-	(238)	-	-	(238)
Posters Expense	-	-	1,189	-	-	1,189
Rent	14,582	22,205	8,414	15,009	2,657	62,867
Telephone	3,349	5,224	5,079	5,651	1,604	20,907
Property Taxes	935	1,403	-	584	-	2,922
Travel	7,137	9,109	1,266	4,663	400	22,575
Supplies and equipment	5,985	8,979	-	3,741	-	18,705
Golf Tournament	-	-	10,950	-	-	10,950
Computer Maintenance	4,072	6,263	3,914	5,288	1,236	20,773
Printing and Postage	9,701	14,571	6,069	9,792	1,644	41,777
Office Supplies	-	-	-	4,562	-	4,562
Miscellaneous Expenses	425	716	4,097	4,706	958	10,902
Vehicle	1,515	1,515	-	-	-	3,030
Southshore Party	-	-	6,841	-	-	6,841
Northshore Party	-	-	9,491	-	-	9,491
Insurance	7,306	9,235	866	5,172	274	22,853
Rodeo	-	-	5,029	-	-	5,029
Run	-	-	1,155	-	-	1,155
Newsletter	320	549	1,739	1,419	549	4,576
Parking	1,015	1,562	386	2,340	317	5,620
Subtotal	\$ 326,838	\$ 1,014,388	\$ 251,318	\$ 286,342	\$ 36,829	\$ 1,915,715

(Continued)

LAKE PONTCHARTRAIN BASIN FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES (CONTINUED)
For the Year Ended December 31, 2007

	Program Services		Support Services			Total
	Environmental Education	Scientific and Field Research	Fund Raising	Management and General	Membership Promotion	
Subtotal from previous page	\$ 326,838	\$ 1,014,388	\$ 251,318	\$ 286,342	\$ 36,829	\$ 1,915,715
Beach Sweep	-	-	9,055	-	-	9,055
Cypress Grant	(1,497)	-	-	-	-	(1,497)
Levant Grant	1,458	2,500	7,917	6,458	2,500	20,833
McKnight Coastal	-	61,415	-	-	-	61,415
Basics of the Basin	-	157	-	-	-	157
Bayou Trepagnier/LaBranche	-	5,193	-	-	-	5,193
Shell BuckTown Marshes	-	4,950	-	-	-	4,950
DHH	-	7,527	-	-	-	7,527
Mandeville Wetland	-	9,691	-	-	-	9,691
Reef Project #2	-	1,164	-	-	-	1,164
Lighthouse Restoration	20,000	-	-	-	-	20,000
Levee Group	-	1,212	-	-	-	1,212
Environmental Issues	-	6,070	-	-	-	6,070
Education Support	131	-	-	-	-	131
Staff Resources	41	61	-	1,553	-	1,655
Seminars and Conferences	943	1,414	314	589	-	3,260
Dues and subscriptions	-	-	-	884	-	884
Bank Charges	18	31	97	79	31	256
Entertainment	6	9	30	24	9	78
Taxes and Licenses	-	-	232	-	-	232
Total expenses before depreciation	347,938	1,115,782	268,963	295,929	39,369	2,067,981
Depreciation	1,471	3,237	11,770	10,299	2,648	29,425
Total expenses	<u>\$ 349,409</u>	<u>\$ 1,119,019</u>	<u>\$ 280,733</u>	<u>\$ 306,228</u>	<u>\$ 42,017</u>	<u>\$ 2,097,406</u>

**LAKE PONTCHARTRAIN BASIN FOUNDATION
SUPPLEMENTARY INFORMATION**

**BUDGET TO ACTUAL COMPARISON
For the Year Ended December 31, 2008**

	Actual	Budget (Unaudited)	Variance Favorable (Unfavorable)
REVENUE AND OTHER SUPPORT			
Donations	\$ 232,416	\$ 40,000	\$ 192,416
Donated services	55,502	-	55,502
Donated use of office space	26,005	-	26,005
Fund raising events	319,499	288,000	31,499
Grants:			
EPA - GOMP	41,474	127,430	(85,956)
EPA - PRP	268,481	582,692	(314,211)
EPA - LPBF	201,019	224,000	(22,981)
EPA - TWS	255,281	168,231	87,050
NRCS	48,560	16,800	31,760
Other - Restricted	178,926	203,000	(24,074)
Investment income (loss)	(13,148)	30,000	(43,148)
Membership sales	31,390	25,000	6,390
Merchandise sales	599	1,000	(401)
Miscellaneous income	2,223	3,000	(777)
Total Revenue and Other Support	<u>1,648,227</u>	<u>1,709,153</u>	<u>(60,926)</u>
EXPENSES			
Program Services:			
Environmental education	347,181	454,549	107,368
Scientific and field research	779,234	681,824	(97,410)
Total Program Services	<u>1,126,415</u>	<u>1,136,373</u>	<u>9,958</u>
Supporting Services:			
Fund raising	299,376	160,250	(139,126)
Management and general	337,228	415,950	78,722
Membership promotion	75,600	5,000	(70,600)
Total Supporting Services	<u>712,204</u>	<u>581,200</u>	<u>(131,004)</u>
Total Expenses	<u>1,838,619</u>	<u>1,717,573</u>	<u>(121,046)</u>
INCREASE (DECREASE) IN NET ASSETS	<u><u>\$ (190,392)</u></u>	<u><u>\$ (8,420)</u></u>	<u><u>\$ (181,972)</u></u>

SINGLE AUDIT SECTION

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

A PROFESSIONAL CORPORATION

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Lake Pontchartrain Basin Foundation
Metairie, Louisiana

We have audited the financial statements of Lake Pontchartrain Basin Foundation (the "Foundation") (a nonprofit organization) as of and for the year ended December 31, 2008, and have issued our report thereon dated May 11, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Foundation's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted

accounting principles such that there is more than a remote likelihood that a misstatement of the Foundation's financial statements that is more than inconsequential will not be prevented or detected by the Foundation's internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items (2008-1 and 2008-2), to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Foundation's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Lake Pontchartrain Basin Foundation's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Lake Pontchartrain Basin Foundation's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Audit Committee, Board of Directors, management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Rebowe & Company

May 11, 2009

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Lake Pontchartrain Basin Foundation
Metairie, Louisiana

Compliance

We have audited the compliance of Lake Pontchartrain Basin Foundation (the "Foundation") (a nonprofit organization) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2008. The Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Foundation's management. Our responsibility is to express an opinion on the Foundation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Foundation's compliance with those requirements.

In our opinion, the Foundation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

The management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Foundation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over compliance.

A control deficiency in the Foundation's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Foundation's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Foundation's internal control

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Foundation's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Audit Committee, Board of Directors, management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Reboue & Company

May 11, 2009

LAKE PONTCHARTRAIN BASIN FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2008

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Number	Grant Period		Total Grant Award	2008 Federal Revenue Recognized	2008 Federal Expenditures	Total Expenditures To Date
			From	Through				
United States								
Environmental								
Protection Agency								
Gulf of Mexico Program 05'	66.475	MX-96423405-0	9/1/2005	12/31/2007	\$ 100,000	\$ 1,066	\$ -	\$ 98,771
Gulf of Mexico Program 06'	66.475	MX-96448606-0	1/1/2007	12/31/2009	127,430	40,408	40,408	44,130
Lake Pontchartrain Basin Foundation Grant 06'	66.202	EM-96627601	3/1/2007	6/30/2009	492,600	201,019	210,624	487,102
Passed through University of New Orleans:								
PRP Project 04'	66.606	FY04-EM97678501-0	9/15/2007	8/31/2009	213,449	213,349	213,449	213,449
PRP Project 05'	66.606	EM-06627101-0	9/15/2007	8/31/2009	215,775	55,132	52,959	52,959
Lake Pontchartrain Targeted Watershed Project	66.439	WS-96618701-0	5/19/2006	4/30/2009	854,000	255,281	255,281	588,975
Total U.S. Environmental Protection Agency					2,003,254	766,255	772,721	1,485,386
United States								
Department of Agriculture								
Natural Resources Conservation Service 06'	10.902	68-7217-06-03	6/6/2006	12/31/2009	237,674	48,560	48,560	214,352
Total U.S. Department of Agriculture					237,674	48,560	48,560	214,352
Totals					\$ 2,240,928	\$ 814,815	\$ 821,281	\$ 1,699,738

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

LAKE PONTCHARTRAIN BASIN FOUNDATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the Foundation has met the qualifications for the respective grants. Costs incurred in programs partially funded by federal grants are applied against federal grant funds to the extent of revenue available when they properly apply to the grant.

ACCRUED AND DEFERRED REIMBURSEMENT

Various reimbursement procedures are used for federal awards received by the Foundation. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over cash reimbursements and expenditures, and will be reversed in the remaining grant period.

LAKE PONTCHARTRAIN BASIN FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2008

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Foundation.
2. Two significant deficiencies disclosed during the audit of the financial statements are reported in the *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Foundation, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the *Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for the Foundation expresses an unqualified opinion on all major federal programs.
6. There were no findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs included:

<u>Program</u>	<u>CFDA No.</u>
Targeted Watershed Project	66.439

8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. The Foundation qualified as a low-risk auditee.
10. A management letter was not issued for the year ended December 31, 2008.

LAKE PONTCHARTRAIN BASIN FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2008

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

2008-1 FINANCIAL STATEMENT PREPARATION AND RECONCILIATION OF
 ACCOUNTS

Observation:

As is common with similar sized not-for-profit entities, Lake Pontchartrain Basin Foundation appears to have limited ability to produce a complete set of financial statements and footnotes in compliance with accounting principles generally accepted in the United States of America (GAAP) and to reconcile the beginning of year general ledger account balances.

Recommendation:

We recommend that management continue to strive to gain the necessary expertise to prepare and reconcile comprehensive financial statements in compliance with GAAP.

2008-2 SEGREGATION OF ACCOUNTING DUTIES

Observation:

As is common with similar sized not-for-profit entities, Lake Pontchartrain Basin Foundation has very limited number of employees. Due to the organization's limited number of accounting personnel (2), the organization lacks proper segregation of duties. The Business Manager does most of the accounting functions for the Main Office while the Program Manager performs the accounting duties for the Program Office.

Recommendation:

We recommend that the Finance Committee and Executive Director continue to be informed of and monitor the day to day activities and standing of the organization.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD
PROGRAMS AUDIT**

There were no findings related to federal awards for the year ended December 31, 2008.

**LAKE PONTCHARTRAIN BASIN FOUNDATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2008**

There were no audit findings reported for the year ended December 31, 2007.

**LAKE PONTCHARTRAIN BASIN FOUNDATION
CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2008**

<u>Item No.</u>	<u>Response</u>
2008-1	<p>Financial Statement Preparation and Reconciliation of Accounts</p> <p>We agree with the comment and will strive to gain the necessary expertise to prepare and reconcile financial statements in compliance with GAAP.</p>
2008-2	<p>Segregation of Accounting Duties</p> <p>We agree with the comment and will continue to inform our Finance Committee and Executive Director of the day to day activities and standing of the organization.</p>